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PREFACE

In the last session of Parliament, the Standing Committee held hearings on the various difficulties farmers across the country were experiencing with low commodity prices, heavy debt loads and falling land values. The Committee explored, with the Farm Credit Corporation, steps being taken by the government to ease the farm financial crisis. The Committee also sought to strengthen the stabilization assistance offered through the Western Grain Stabilization Program to prairie grain farmers, who have been amongst those worst hit by low prices.

Since then the situation has deteriorated. Commodity prices remain low, while production costs are high. This situation exerts great pressure on farm incomes. The Committee considered that an examination of the major inputs which contribute to high production costs might reveal ways in which these could be reduced.

With this objective in mind, the Committee held a series of public hearings to inquire into matters affecting the costs of such inputs as farm finance, farm chemicals, fertilizer, farm fuels and farm machinery.

Although the transportation and storage of agricultural products on their way to markets are not strictly input costs, many of the witnesses raised issues relating to the costs of these functions and so they have been accorded attention.

Between November 20, 1986 and May 29, 1987, the Committee held 20 meetings to listen to the concerns of farm organizations and industry representatives which form the subject of this report. The Committee examined how federal government programs might be altered to help control input costs and makes 34 recommendations on its findings.

The Committee wishes to express its gratitude to the witnesses who made presentations and to the Farm Credit Corporation and Agriculture Canada officials who were very supportive of the Committee in its task.

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